

## Special Risks to Consider About *This* Franchise

Certain states require that the following risk be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Minnesota. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Minnesota than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Short Operating History.** The Franchisor is at an early stage of development and has a limited operating history. The franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
5. **Supplier control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
6. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

**CERTAIN STATES MAY REQUIRE OTHER RISKS TO BE HIGHLIGHTED. CHECK THE "STATE SPECIFIC ADDENDA" (IF ANY) TO SEE WHETHER YOUR STATE REQUIRES OTHER RISKS TO BE HIGHLIGHTED.**

Type of fee	Amount	Due date	Remarks
		month for the prior month	may request to opt out of certain shared services and retain your own approved vendor for these services, if you meet our requirements and receive prior written approval from us.
Management Fee (7)	7.5% of Collected Revenue in the prior month	Payable on the 10th day of each month for the prior month	<p>The Management Fee is paid to us. In addition to our right to terminate the Franchise Agreement, we may manage and operate your Franchise if you fail to cure a default within the applicable cure period (if applicable). We also have the right to step in and operate your Franchise in certain circumstances, including your death, disability, or prolonged absence where you are unable to provide oversight of the Franchise to prevent harmful interruption of your Nowlogy Clinic business.</p> <p>The reimbursable expenses include our and our representatives' wages, travel, lodging and meals. During any management period, you will still be required to pay to us all recurring fees.</p>
Insurance	The premium, plus 20% of the premium	When incurred.	If you fail to maintain the required insurance, we have the right, but not the obligation, to procure insurance on your behalf and you must reimburse us the premium payment plus a fee of 20% of the premium to cover our costs.
Indemnification	Amount will vary under the circumstances.	Date incurred.	You must reimburse us and/or our affiliate if we incur liability because of the operation of your Franchise.
Costs of Enforcement and Defense	Amount will vary under the circumstances.	Date incurred.	You must pay our costs and attorneys' fees if we must take action to enforce your obligations to us.
Insufficient Funds Fee	\$250 per violation.	On demand.	If the bank account you designate for payment of the Royalty Fee, Brand Fund Contribution, and any other reoccurring fees does not contain sufficient funds to make any payments, you must pay us a fee of <del>\$50</del> -250 per incident.

Type of expenditure (1)	Amount		Method of payment	When due	To whom payment is to be made
	Low	High			
Professional Fees (9)	\$2,500	\$20,000	As incurred	As arranged	Third parties
Business Insurance (10)	\$1,000	\$3,000	As incurred	As arranged	Approved suppliers
Training Expenses (11)	\$2,500	\$5,000	As incurred	As arranged	Third parties
Grand Opening Marketing (12)	\$1,000	\$5,000	As incurred	As arranged	Third parties
Additional funds (3 months) (13)	\$5,000	\$50,000	As needed	As arranged	Varies
TOTAL (14)	\$71,200	\$262,100			

**Notes:**

1. We do not make any representation regarding whether any amounts paid to third parties are refundable. All amounts paid to us are non-refundable unless otherwise noted. Neither we nor any of our affiliates finance any of the initial investment. This estimates your start-up expenses. These expenses exclude payroll costs. ~~These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business.~~ Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the prevailing wage rate; and competition. This table is an estimate of your initial investment to start a single Nowlogy Clinic under a Franchise Agreement from a leased space that is between 1,230-1,350 square feet with 4-8 therapy rooms. Your Franchised Business will generally be located in an urban/suburban commercial area near a university or healthcare hub.

2. Initial Franchise Fee. The Initial Franchise Fee is discussed in Item 5.

3. Interior Design/Leasehold Improvements. This estimate includes the cost for you to outfit your Nowlogy Clinic. You will need to comply with all specifications we require for your fit out of your location. Your actual costs may vary considerably depending on the size of the Franchise, the cost of local financing and other local conditions, including labor, material costs and construction fees. These estimates do not include extraordinary costs due to extensive redesign, permitting, variances, environmental issues, legal obstacles, etc.

4. Utility and Security Deposits. You must pay deposits for all the utility services. The cost will vary based on your creditworthiness, the municipality where the Nowlogy Clinic is located and the service providers. Some local governments may charge an additional amount for utility connections to offset their costs for maintaining water and sewer plants and these amounts are not included in the above figure. This estimate also includes deposits on utilities (waste, gas, water, and power), phone and internet and pest control.

Type of expenditure (1)	Amount		Method of payment	When due	To whom payment is to be made
	Low	High			
Grand Opening Marketing (12)	\$1,000	\$5,000	As incurred	As arranged	Third parties
Additional funds (3 months) (13)	\$5,000	\$50,000	As needed	As arranged	Varies
TOTAL (14)	\$36,500	\$157,100			

**Notes to Table B:**

1. We do not make any representation regarding whether any amounts paid to third parties are refundable. All amounts paid to us are non-refundable unless otherwise noted. Neither we nor any of our affiliates finance any of the initial investment. This estimates your start-up expenses. These expenses exclude payroll costs. ~~These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business.~~ Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the prevailing wage rate; and competition. This table is an estimate of your initial investment for a conversion franchised business to start a single Nowlogy Clinic under a Franchise Agreement from a leased space that is between 1,230-1,350 square feet with 4-8 therapy rooms. Your Franchised Business will generally be located in an urban/suburban commercial area near a university or healthcare hub.

2. Conversion Initial Franchise Fee. The Conversion Initial Franchise Fee is discussed in Item 5.

3. Interior Design/Leasehold Improvements. This estimate includes the cost for you to improve your existing clinic to outfit your Nowlogy Clinic. You will need to comply with all specifications we require for your fit out of your location. Your actual costs may vary considerably depending on the size of the Franchise, the cost of local financing and other local conditions, including labor, material costs and construction fees. These estimates do not include extraordinary costs due to extensive redesign, permitting, variances, environmental issues, legal obstacles, etc.

4. Utility and Security Deposits. You must pay deposits for all the utility services. The cost will vary based on your creditworthiness, the municipality where the Nowlogy Clinic is located and the service providers. Some local governments may charge an additional amount for utility connections to offset their costs for maintaining water and sewer plants and these amounts are not included in the above figure. This estimate also includes deposits on utilities (waste, gas, water, and power), phone and internet and pest control.

5. Signage – Interior and Exterior. The amounts listed are for the purchase of the necessary signage for the Nowlogy Clinic as outlined in the Operations Manual.

6. Furniture and Fixtures. You will need to purchase or exchange your existing furniture and fixtures for office and reception areas at your Franchise, meeting our standards and specifications. This estimate assumes that you purchase all the furniture and fixtures. This amount will vary based on the size of the Location. The estimates do not include cost for transportation or set-up charges.

## ITEM 12 TERRITORY

### **Location and Territory.**

Your Franchise Agreement will grant you the right to open a Franchise within a designated geographic area (the “Territory”), which is the area within which you will solicit and service customers/clients and we agree not to locate another franchised or company/affiliate-owned Nowlogy Clinic. Your Territory will be identified on Schedule I to the Franchise Agreement. You are not granted any other rights.

We and/or our affiliates reserve the right to sell another Franchise or open a business anywhere outside of your Territory, regardless of proximity to your Location, and authorize these other franchisees and businesses to provide the same Services and Products that you provide outside your Territory. You will receive an exclusive territory within your Territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Generally, each Territory will be comprised of a radius around the franchised location that is approximately 15 miles, provided the location is in a rural or suburban area. If the Franchise is located in an urban area, such as a city, major metropolitan downtown area or similarly situated/populated central business district, then the protected territory may be limited to a five (5) block radius around the Location. The actual size and shape of the Territory will be determined based on several factors including, without limitation, population density, drive time, age demographics, income level and the number of households and businesses in the area, by proximity to other franchise territories, and by natural boundaries such as rivers, lakes, mountain ranges, etc.

All Nowlogy Clinic products, add-ons, merchandise, goods, and inventory must only be sold to Clients serviced by the Franchise. You have no right to offer, sell, or market Nowlogy Clinic products, merchandise, goods, or other items bearing our Marks or incorporating our IP unless it is in connection with the servicing of Clients at the Franchise.

We do not restrict the clients you may serve and you may solicit clients outside your Territory, if you are licensed to provide the applicable Services and products to these clients and you obtain our prior approval for all Services you offer through your Nowlogy Clinic. Although you can solicit clients outside of your Territory, you do not have the right to use other channels of distribution, such as the Internet, catalog, telemarketing, or other direct marketing, to make sales outside your Territory, unless we approve otherwise.

### **Performance Standards.**

Continuation of your Territory does not depend on the achievement of a certain sales volume, market penetration or other contingency, but we may modify your Territory upon renewal of your franchise agreement due to shifts in population. We can also modify your Territory or remove the rights to the Territory if you do not meet System Standards.

### **Right of First Refusal.**

The Franchise Agreement does not grant you the right to acquire additional Franchises within or outside of your Territory.

## Exhibit I

### MULTI-STATE ADDENDA TO FRANCHISE AGREEMENT MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

Company and Franchisee hereby agree that the Franchise Agreement dated \_\_\_\_\_, 20\_\_, will be amended as follows:

1. Section 2.6(g) of the Franchise Agreement is hereby deleted and replaced with the following:

“You and your Owners (as defined in Section 3.1) and their respective spouses sign a general release in the form set forth on Exhibit A (or any other form required by us or as allowed under applicable law) in favor of us and our affiliates and their respective members, officers, directors, employees, agents, successors and assigns, for all claims arising out of or related to this Agreement or any related agreements with us or our affiliates; provided, however, any release shall not release Company of any liability imposed by Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22 (the “General Release”).”

2. Section 5.1 is amended by adding the following at the end of the initial franchise fee section:

“Based upon the Franchisor’s financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all Initial Franchise Fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement.”

3. Section 5.8 of the Franchise Agreement is hereby amended to read as follows:

“If there are not sufficient funds in your account to permit us to debit the account for the payments you owe us, you will pay to us an insufficient funds fee equal to thirty dollars (\$30) per violation.”

4. Section 14 of the Franchise Agreement is amended to add the following language:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

5. Section 16.6(g) of the Franchise Agreement is hereby deleted and replaced with the following:

“you and all transferring Owners and each Owner’s spouse have signed a general release in the form attached to this Agreement as Exhibit A (or any other form required by us or as allowed under applicable law) of any and all claims against us and our affiliates, and us and their respective members, owners, officers, directors, employees, consultants, advisors, and agents; provided, however, any release shall not release Company of any liability imposed by Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22 (the “General Release”).”

6. ~~2.~~ Section 21 of the Franchise Agreement is amended to read as follows:

“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement.”

7. ~~3.~~ Franchisor will protect the Franchisee’s right granted hereby to use the Marks or will indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

8. ~~4.~~ Section 21 of the Franchise Agreement is amended as follows:

“Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by laws of the jurisdiction.”

9. ~~5.~~ Minn. Rule 2860.4400J. prohibits waiver of a jury trial. Accordingly, Section 21.12 of the Franchise Agreement is amended as follows:

“Nothing contained herein shall limit Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J. Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5.”

10. ~~6.~~ Section 21.6 is amended to read as follows:

“Company may seek injunctive relief, without bond if determined by the court of competent jurisdiction that a bond is not required, against Franchisee restraining the unauthorized use of any Mark or Copyrighted Materials, or the unauthorized use or disclosure of Company’s confidential information.

11. ~~7.~~ Section 21.6 is amended to read as follows:

“Company may, at its option, seek injunctive and other equitable relief against Franchisee from any court of competent jurisdiction;”

12. Section 21.11 of the Franchise Agreement is hereby amended by adding the following at the end of the Section:

“; provided, however, any action under Chapter 80C of the Minnesota Statutes must be submitted within three years after the cause of action accrues.”

13. Exhibit A to the Franchise Agreement shall be amended with the addition of the following language: “Notwithstanding anything in this Agreement to the contrary, any release shall not release Nowlogy Franchising, LLC of any liability imposed by Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22.”

IN WITNESS WHEREOF, Company and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

COMPANY:

Nowlogy Franchising, LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_  
(title)

Franchisee:

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_  
(title)

**EXHIBIT F**

**LIST OF STATE ADMINISTRATORS**

<p><b><u>California</u></b> California Department of Financial Protection and Innovation 320 West 4<sup>th</sup> St., Suite 750 Los Angeles, CA 90013-2344 (213) 736-2741 Toll Free: 1-866-275-2677</p>	<p><b><u>Michigan</u></b> Consumer Protection Division Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117</p>	<p><b><u>South Dakota</u></b> Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501</p>
<p><b><u>Connecticut</u></b> Department of Banking, Securities Investment Division 260 Constitution Plaza Hartford, CT 06103</p>	<p><b><u>Minnesota</u></b> Minnesota Dept. of Commerce 85 7<sup>th</sup> Place East, Suite <del>500-280</del> St. Paul, MN 55101-3165 (651) <del>296-4026</del>539-1600</p>	<p><b><u>Texas</u></b> Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887</p>
<p><b><u>Florida</u></b> Florida Department of Agriculture And Consumer Services 407 S. Calhoun Street Tallahassee, FL 32399-6700</p>	<p><b><u>New York</u></b> New York Department of Law, Investor Protection and Securities 28 Liberty Street, 21<sup>st</sup> Floor New York, NY 10005 (212) 416-8236</p>	<p><b><u>Utah</u></b> Department of Commerce 160 East 300 South SM Box 146704 Salt Lake City, UT 84114-6704</p>
<p><b><u>Hawaii</u></b> Business Registration Div. Dept. of Commerce &amp; Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><b><u>Nebraska</u></b> Department of Banking and Finance 1230 "0" Street Suite 400 PD. Box 95006 Lincoln, NE 68509-5009</p>	<p><b><u>Virginia</u></b> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051</p>
<p><b><u>Illinois</u></b> Chief, Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62707 (217) 782-4465</p>	<p><b><u>North Dakota</u></b> North Dakota Securities Department 600 East Boulevard Avenue 5<sup>th</sup> Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712</p>	<p><b><u>Washington</u></b> Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (106) 753-6928</p>
<p><b><u>Indiana</u></b> Deputy Commissioner, Franchise Division Indiana Securities Commission Secretary of State 302 W. Washington St, Room E-111 Indianapolis, IN 46204 (317) 232-6681</p>	<p><b><u>Oregon</u></b> Department of Insurance &amp; Finance Corporate Securities and Franchise Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387</p>	<p><b><u>Wisconsin</u></b> Securities and Franchise Registration Wisconsin Securities Commission P.O. Box 1768 Madison, WI 53701 (608) 266-8559</p>

## EXHIBIT G

### LIST OF AGENTS FOR SERVICE OF PROCESS

<p><b>CALIFORNIA</b></p> <p>California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2244 (213) 576-7500</p>	<p><b>RHODE ISLAND</b></p> <p>Director of Depart. of Business Regulation 1511 Pontiac Avenue John O. Pastore Complex, Building 69-1 Cranston, RI 02920 (401) 462-9500</p>	<p><b>VIRGINIA</b></p> <p>Clerk of the State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9733</p>
<p><b>CONNECTICUT</b></p> <p>Connecticut Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103</p>	<p><b>SOUTH DAKOTA</b></p> <p>Division of Insurance Securities Regulation 124 S. Euclid Avenue, Suite 104 Pierre, SD 57501 (605) 773-3563</p>	<p><b>WASHINGTON</b></p> <p>Director of Depart. of Financial Institutions General Administration Building Securities Division – 3rd Floor 150 Israel Road, S. W. Tumwater, Washington 98501 (360) 902-8760</p>
<p><b>HAWAII</b></p> <p>Comm’r Securities of the State of Hawaii Department of Commerce &amp; Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><b>MARYLAND</b></p> <p>Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p><b>WISCONSIN</b></p> <p>Commissioner of Securities 201 West Washington Avenue Fourth Floor Madison, Wisconsin 53703 (608) 261-9555</p>
<p><b>ILLINOIS</b></p> <p>Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p><b>MICHIGAN</b></p> <p>Dept. of Commerce, Corp’ns &amp; Securities Bur. 525 W. Ottawa Street G. Mennen Williams Building, 1<sup>st</sup> Floor Lansing, MI 48933 (517) 373-7117</p>	
<p><b>INDIANA</b></p> <p>Indiana Secretary of State 302 West Washington Street Room E-111 Indianapolis, IN 46204 (317) 232-6681</p>	<p><b>MINNESOTA</b></p> <p><del>Commissioner</del> <a href="#">Minnesota Dept. of Commerce</a> 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (612) <del>296-4026</del> <a href="#">539-1600</a></p>	
<p><b>NORTH DAKOTA</b></p> <p>North Dakota Securities Commissioner 600 Boulevard Avenue, State Capital Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>	<p><b>NEW YORK</b></p> <p>NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21<sup>st</sup> Floor New York, NY 10005 (212) 416-8222</p>	

## ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE MINNESOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Item 5 is amended by adding the following at the end of the initial fee section:

“Based upon the Franchisor’s financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all Initial Fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement.”

3. The following language is added to Item 6 of the Disclosure Document:

“Insufficient Funds Fee will be capped at \$30 per violation per Minnesota Statute 604.113.”

4. The following language is added to Item 13 of the Disclosure Document:

“Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks (as provided in Minnesota Statutes, Section 80C.12, Subd.1(g)). As such, the Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

5. ~~2.~~ The following language is added to Item 13 of the Disclosure Document and Section 11 of the Franchise Agreement:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of

Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

~~6.~~ ~~3.~~Item 17 of the Disclosure Document and Section 18 of the Franchise Agreement are amended as follows:

“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement.”

~~7.~~ ~~4.~~No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

~~8.~~ ~~5.~~Item 17 of the Disclosure Document is amended to add the following and the following language will appear at the end of Section 21 of any Franchise Agreement issued in the State of Minnesota:

“Pursuant to Minnesota Statutes, Section 80C.21 and Minn. Rule Part 2860-4400J, this Section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Minnesota Statutes Chapter 80C.”

~~9.~~ ~~6.~~Item 17 of the Disclosure Document and Section 21 of the Franchise Agreement are amended as follows:

“Nothing contained herein shall limited Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4407J.”

~~10.~~ The following language is added to Item 17 of the Disclosure Document:

“The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief and a court will determine if a bond is required. See Minn. Rules 2860.4400J.”

“You may not bring any action under Chapter 80C of the Minnesota Statutes more than three years after the cause of action accrues.”

~~11.~~ Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

Mail signed and dated Receipt to Nowlogy Franchising, LLC at 1303 South Frontage Road, Suite 150, Hastings, MN 55033 or email to [info@nowlogy.org](mailto:info@nowlogy.org) [info@nowlogy.com](mailto:info@nowlogy.com).

**RECEIPT**  
(YOUR COPY)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Nowlogy Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Nowlogy Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit G.

The franchisor is Nowlogy Franchising, LLC, at 1303 South Frontage Road, Suite 150, Hastings, MN 55033 or (651) 505-3273. The franchise sellers are Amelia Paquin and Maria Almanzar,

Issuance Date: October 14, 2024. The Issuance Date is not the Effective Date. See Page 4 of this disclosure document to determine if your state's Effective Date varies from the Issuance Date.

Nowlogy Franchising, LLC authorizes the agents listed on Exhibit G to receive service of process in the respective states.

I received a disclosure document dated October 14, 2024, that included the following Exhibits:

- |  |   |
|--|---|
| Exhibit A: Financial Statements                | Exhibit G: List of Agents for Service of Process          |
| Exhibit B: Franchise Agreement                 | Exhibit H: Franchisee Disclosure Acknowledgment Statement |
| Exhibit C: List of Franchisees                 | Exhibit I: State Specific Addenda                         |
| Exhibit D: List of Former Franchisees          | Exhibit J: Business Associate Agreement                   |
| Exhibit E: Operations Manual Table of Contents | Exhibit K: Managed Services Addendum                      |
| Exhibit F: List of State Administrators        | Exhibit L: State Effective Dates                          |
|  | Exhibit M: Receipts                                       |

\_\_\_\_\_  
Date Received \_\_\_\_\_

\_\_\_\_\_  
Prospective Franchisee Signature

\_\_\_\_\_  
Prospective Franchisee Printed Name

~~K-4~~  
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Mail signed and dated Receipt to Nowlogy Franchising, LLC at 1303 South Frontage Road, Suite 150, Hastings, MN 55033 or email to [info@nowlogy.org](mailto:info@nowlogy.org) [info@nowlogy.com](mailto:info@nowlogy.com).

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